

MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE
May 5, 2006

A regular meeting of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California was held at the Westin Hotel, San Francisco International Airport, San Francisco on May 5, 2006. Attendance was as follows:

MEMBERS PRESENT:

Curt C. Barwick
Nelson D. Crandall
Christopher A. Delfino
Bruce R. Deming
Matthew R. Gemello
Steven R. Harmon
Victor Hsu *
Brian A. Lebrecht
Stewart Laughlin McDowell
Michael A. Occhiolini
William R. Sawyers
David M. Serepca
Lemoine Skinner, III
Steven B. Stokdyk
James J. Thompson*
Suzanne L. Weakley
Brian M. Wong
Russell J. Wood

MEMBERS ABSENT:

Clint Davis
Nina L. Hong
Peter Heinecke
Deborah J. Ruosch
Jennifer Lynn Sostrin

LIAISONS AND GUESTS PRESENT:

Keith Bishop, Executive Committee*
Kevin Kelso, Executive Committee
Larry Doyle, State Bar of California, Office of Government Affairs*

*Via telephone

These minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.

I. ADMINISTRATIVE MATTERS

1. Opening Remarks and Announcements: The meeting was called to order by Co-Chair Gemello at 9:30 a.m. He thanked the members of the Committee in attendance and noted that a quorum was present.

2. Approval of Minutes: The minutes for the April 2006 meeting were approved in the form circulated.

II. AGENCY AND LIAISONS' REPORTS

1. Securities and Exchange Commission: No report was provided.
2. National Association of Securities Dealers: No report was provided.
3. Department of Corporations: No report was provided.
4. Secretary of State: No report was provided.
5. Corporate Law Departments: No report was provided.
6. Non-Profit Corporations Committee: Bill Sawyers reported on the recent activities of the committee including its ongoing website review and uniform state law projects.
7. Partnerships and LLCs Committee: Lemoine Skinner provided a brief update on his prior report.
8. UCC Committee: No report was provided.
9. ADR Committee: Matthew Gemello reported that the ADR committee had requested that the Committee appoint a liaison to its committee. Brian Lebrecht volunteered to serve in this capacity.
10. Executive Committee: Messrs. Bishop and Kelso reported on various Executive Committee matters.

III. SUBCOMMITTEE REPORTS

1. Legislation:
 - a. Status/Update: Chris Delfino, along with Larry Doyle, reported on a variety of pending legislative of interest to the Committee. Included among the items discussed was the status of SB 1207 and the Committee's ongoing opposition paper.
 - b. Corporate Disclosure Act: Bruce Deming reported on the status of the ALP to amend the Corporate Disclosure Act and reviewed the comments received from the Legislative Subcommittee of the Executive Committee.
 - c. New ALP Topics: Each of Nelson Crandall and David Serepca reviewed several potential topics for new affirmative legislative proposals for the upcoming session, which the Committee discussed in full.

- d. Nasdaq Changes: Russ Wood and Bruce Deming volunteered to examine whether amendments to the California Corporations Code were advisable following the re-designation of the Nasdaq National Market.
2. Communications/Website:
 - a. Extranet: No specific report was provided.
 - b. Website Development: David Serepca noted that the Executive Committee had designated a new liaison to assist with the standing committees' website update/development effort. Matthew Gemello noted that the updates to the Committee's own website were at least 3 months, despite the efforts of the Committee's co-vice chairs. Kevin Kelso indicated that he would bring this to the Executive Committee's attention at its next regularly scheduled meeting.
 - c. E-bulletins: The Committee discussed a variety of topics for future e-bulletins.
3. Education/Publications:
 - a. Teleseminars. No report was provided.
 - b. Handbook for Incorporating a Business in California. Matthew Gemello reported that the Publications Subcommittee of the Executive Committee hoped to provide comments back to the editorial board following its June 2006 meeting.
 - c. Articles. No Report was provided.
4. Litigation: Russ Wood reported on recent case law of interest to Committee members.

IV. ONGOING PROJECTS

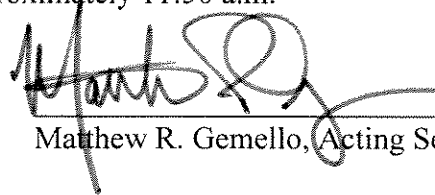
1. Section 2115 Project: Bruce Deming and David Serepca reported on the status of this project and identified the key next steps: (i) a review of the briefs submitted by the parties in the *Grosset* appeal; (ii) a discussion with Michael Halloran of the Pillsbury firm the legislative background underlying its initial adoption; and (iii) a survey of BLS members to gain further insights into practitioners experiences with Section 2115.
2. Close Corporation Project: David Serepca reported on the status of the draft Close Corporation law, which is proposed to become a new Chapter 20A to the General Corporation Law. Following the "expert sessions" concluded last month, the subcommittee's final drafts have been posted to the Committee's extranet for review. The subcommittee hoped to have a draft ALP available for the Committee's review in advance of its September meeting.

3. ABA Task Force on Attorney-Client Privilege: Russ Wood reported on the recent activities of the task force.
4. National Venture Capital Association Model Forms Project: Lemoine Skinner reported on the status of the National Venture Capital Association Model Forms project. Wilson Sonsini has completed its review of the forms and prepared a memo advising that major changes to the forms are necessary.
5. Venture Capital Opinion Project: No report was provided.

V. NEW BUSINESS

There was no new business not otherwise discussed in context above.

The meeting was adjourned at approximately 11:50 a.m.

A handwritten signature in black ink, appearing to read "Matthew R. Gemello", is written over a horizontal line.

Matthew R. Gemello, Acting Secretary